

Message Text

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45

ACTION EUR-25

INFO OCT-01 ISO-00 XMB-07 EB-11 TRSE-00 OMB-01 L-03

CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15

PRS-01 SPC-03 STR-08 CIEP-02 SS-20 NSC-07 DRC-01

EURE-00 /120 W

----- 096648

P R 141612Z MAR 74

FM AMEMBASSY WARSAW

TO C/SECSTATE WASHDC PRIORITY 8114

INFO USDOC WASHDC

AMEMBASSY BELGRADE

AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMEMBASSY VIENNA

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DEPT PASS TO EXIM

VIENNA FOR GEORGE DIETZ

E.O. 11652: N/A

TAGS: EFIN, PL

SUBJECT: EXIMBANK SUSPENSION ON TRANSACTIONS WITH POLAND

REF: STATE 49660

1. THROUGHOUT LUNCHEON ON MARCH 14 HOSTED BY THE AMBAS-
SADOR FOR VICE MINISTER OF FOREIGN TRADE WISNIEWSKI,
WHO IS SCHEDULED TO VISIT WASHINGTON MARCH 19-21 FOR
MEETINGS WITH SECRETARY DENT AND OTHER U.S. OFFICIALS,
WISNIEWSKI AND OTHER GOP OFFICIALS PRESENT MADE CLEAR
THAT THEY ARE MOST CONCERNED OVER SUSPENSION OF EXIM
BANK ACTIONS AND ITS POSSIBLE FAR-REACHING EFFECTS ON
U.S.-POLISH TRADE RELATIONS.

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2. WISNIEWSKI, WHO IS RESPONSIBLE FOR TRADE RELATIONS WITH ALL WESTERN COUNTRIES, SAID SUSPENSION HAS INTRODUCED MAJOR ELEMENT OF UNCERTAINTY INTO POLISH-U.S. TRADE RELATIONS, WHICH OTHERWISE HAVE BEEN IMPROVING VERY SATISFACTORILY RECENTLY. EACH DAY THAT EXIM QUESTION REMAINS UNSETTLED, THE UNCERTAINTY WILL GROW, WHICH WILL MEAN, HE SAID, THAT THE GOOD DONE OVER THE PAST TWO YEAR WILL RAPIDLY BE UNDONE. WISNIEWSKI SAID THAT ALREADY POLISH ENTERPRISES HAVE BEEN ASKING MINISTRY OF FOREIGN TRADE WHETHER THEY WILL BE FORCED TO RENEGOTIATE EXISTING CONTRACTS. FOR THOSE CONTRACTS COVERED ONLY BY PRELIMINARY COMMITMENTS OR WHICH HAVE NOT YET BEEN SIGNED, IT WILL BE ONLY NATURAL, HE SAID, THAT POLISH ENTERPRISES WILL SOON BE FORCED TO TAKE UP DISCUSSIONS AGAIN WITH SUPPLIERS IN WESTERN EUROPE AND JAPAN.

3. MINISTRY OF FOREIGN AFFAIRS OFFICIAL NOTED THAT QUESTIONS AGAIN WERE BEING RAISED ABOUT RELIABILITY OF DEALING WITH U.S. COMPANIES WHEN IT APPEARED USG WAS FOLLOWING PRACTICE OF TURNING TRADE ON AND THEN TURNING IT OFF AGAIN. POLISH OFFICIALS ALSO NOTED THAT EXIM FREEZE ON ACTIONS FOR SOVIET UNION AND OTHER EE COUNTRIES PUTS POLAND IN MOST UNCOMFORTABLE POSITION SINCE GOP CANNOT VERY WELL ASK USG FOR EXEMPTION OR SPECIAL TREATMENT. THIS SITUATION DIFFERS, THEY SAID, FROM MFN WHERE, IN PAST WHEN OTHER SOCIALIST COUNTRIES HAVE CRITICIZED POLES FOR THEIR PREFERRED STATUS, POLES HAVE BEEN ABLE TO SAY THAT MFN WAS UNILATERAL STEP ON PART OF USG WHICH WAS NOT REQUESTED BY GOP.

4. VICE MINISTER WISNIEWSKI TOLD THE AMBASSADOR THAT DURING MEETING SCHEDULED FOR MARCH 15, PRESIDUM OF POLISH GOVERNMENT WILL REVIEW EXIM SUSPENSION PROBLEM AND ISSUE INSTRUCTIONS FOR POSITION WISNIEWSKI IS TO TAKE NEXT WEEK IN WASHINGTON MEETINGS WITH USG OFFICIALS.

5. ACCORDING TO EMBASSY'S CALCULATIONS, SINCE NOVEMBER 1972, EXIM HAS AUTHORIZED SEVENTEEN CREDITS FOR POLAND WITH TOTAL U.S. EXPORT VALUE OF \$208.1 MILLION. (TOTAL INCLUDES \$43.8 MILLION TEXTRON CONTRACT AUTHORIZED ON LIMITED OFFICIAL USE

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FEBRUARY 23). PENDING PRELIMINARY COMMITMENTS, OF WHICH WE HAVE BEEN NOTIFIED, TOTAL \$31.5 MILLION. IN ADDITION, OTHER REQUESTS FOR CREDITS, TOTALING \$7.7 MILLION, HAVE BEEN SUBMITTED RECENTLY BY BANK HANDLOWY, AND --MORE SIGNIFICANT--A NUMBER OF MAJOR CONTRACT NEGOTIATIONS IN WHICH U.S. SUPPLIERS ARE BANKING ON EXIM FINANCING, ARE IN FINAL STAGES. THESE INCLUDE \$35 MILLION SLAUGHTERHOUSE COMPLEX AND \$100 MILLION FOUNDRY PROJECT.

6. EMBASSY HAS BEEN ASKED BY BANK HANDLOWY AND FOREIGN-
TRADE ENTERPRISES WHETHER FREEZE HAS ANY EFFECT ON CREDITS
ALREADY AUTHORIZED, INCLUDING DISBURSEMENTS THEREOF.
EMBASSY WOULD APPRECIATE RECEIPT OF GUIDANCE ON THIS
POINT.
DAVIES

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: golinofr
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
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